

# WILLIAMS MULLEN

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July 11, 2016

## VIA EMAIL ONLY

Stacey Haire, Senior Attorney  
Office of Regional Counsel  
U.S. Environmental Protection Agency  
61 Forsyth Street, S.W.  
Atlanta, GA 30303

Re: Good Faith Offer / CTS of Asheville Inc. Superfund Site

Dear Ms. Haire:

As you are aware, this firm represents Northrop Grumman Systems Corporation ("NGSC") in connection with the CTS of Asheville Inc. Superfund Site in Asheville, North Carolina (the "Site"). This letter responds to EPA's Special Notice Letter to our client dated May 10, 2016. It is submitted for purposes of negotiating a settlement only, and is subject to Rule 408 of the Federal Rules of Evidence. Nothing in this letter is intended to be an admission of law or fact.

NGSC is willing to enter into good faith negotiations with EPA, CTS Corporation ("CTS") and Mills Gap Road Associates ("Mills Gap") regarding (i) a Consent Decree with the United States to implement the requirements of the Interim Record of Decision ("IROD") and to reimburse EPA for costs it incurs in overseeing implementation of the IROD, and (ii) a Site Participation Agreement among CTS, NGSC and Mills Gap. We have already begun discussions with CTS and Mills Gap regarding a Site Participation Agreement.

It is our understanding that CTS will be submitting a good faith offer and providing a markup of the proposed Consent Decree and Statement of Work. NGSC may have proposed changes to these documents as well, but believes it would be more productive if we first review the revised documents submitted by CTS before making that determination.

It is our understanding that Mills Gap has no "ability to pay" any portion of the costs required to implement the IROD or reimburse EPA its oversight costs. NGSC therefore believes that orphan share compensation for Mills Gap's inability to pay, or other compromise of oversight costs by EPA, should be part of Consent Decree negotiations. NGSC also continues to believe that EPA should send a Special Notice Letter to TT Electronics plc and International Resistive Company, Inc. concerning their liability at the Site, and should request that they, too, submit a good faith offer and participate in Consent Decree negotiations.



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Page 2

Contact information for NGSC is:

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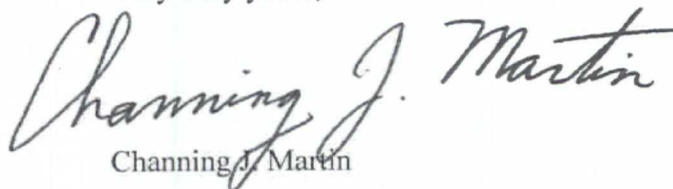
The persons who will represent NGSC in negotiations are:

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Please contact me if you have questions.

Very truly yours,

  
Channing J. Martin

CJM/rno  
cc: Robert J. Ariatti, Esq.

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